

Jeremiah W. (Jay) Nixon  
Governor  
State of Missouri



Department of Insurance  
Financial Institutions  
and Professional Registration  
John M. Huff, Director

DIVISION OF INSURANCE COMPANY REGULATION

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Frederick G. Heese, Chief Financial Examiner & Division Director

**EXPLANATORY MEMORANDUM ON  
WORKERS' COMPENSATION PREMIUM TAX ASSESSMENTS  
FOR SELF-INSURED EMPLOYERS OR SELF-INSURED TRUSTS**

This memorandum is designed to outline the procedures used in Missouri for the assessment of the workers' compensation premium tax liability for authorized self-insured employers or group self-insurers. It will also serve as a reference for those who complete the annual self-insurer tax report required under Section 287.710, RSMo, to give them a sense of what to expect during the year's assessment collection process.

Please note that filings are now done electronically for individual businesses that are self-insured for workers' compensation. Group self-insureds will continue to file manually.

By statute, the workers' compensation premium tax rate is set by the Governor for the following calendar year, based on an evaluation by the Division of Workers' Compensation of the budgetary needs for the upcoming year.

While the actual assessment collection procedures set forth below may seem somewhat complicated to persons attempting to comply with them for the first time, experience has shown that self-insured employers and group self-insurers are ultimately able to comply with little difficulty. However, the Department of Insurance, Financial Institutions and Professional Registration urge any self-insured entity with questions to contact the Department at [SI\\_PTax@insurance.mo.gov](mailto:SI_PTax@insurance.mo.gov).

At the end of each year, the Missouri Department of Insurance, Financial Institutions and Professional Registration emails tax information to each self-insured employer and self-insured group administrator. Included in this is the Table 1 Payroll and Premium Tax Report for 2012. This report is for the calendar year 2012 and must be returned to the Missouri Department of Insurance, Financial Institutions and Professional Registration by March 1, 2013. Instructions for completing this report are also included in the packet. This report contains the calendar year workers' compensation premium tax liability for the self-insured employer or self-insured group.

Quarterly assessments are due March 1, June 1, September 1 and December 1. Each assessment represents a prepayment of the current year's workers' compensation premium tax. Each assessment is calculated by applying the current year's tax rate to the Standard Premium, line 11 of the Table 1 Payroll and Premium Tax Report and then multiplying by 25%.

The March assessment notice (Form B) is included with the emailed tax information. The self-insured entity is responsible for completing this assessment and returning it to the Missouri Department of Revenue. The March assessment is calculated by multiplying the current year's tax rate (.01) x the standard premium from the Table 1 Payroll and Premium Tax Report by 25%. This assessment is considered a prepayment for the workers' compensation premium tax liability for the calendar year in which it is paid. The March 2013 assessment is payable to the Missouri Department of Revenue by March 1, 2013. It will apply to the 2013 annual workers' compensation premium tax.

The June, September and December assessment notices are e-mailed from the Department of Insurance, Financial Institutions and Professional Registration approximately thirty (30) days in advance of the due date. Each assessment is pre-printed with the amount of workers' compensation premium tax liability due. The self-insured entity should remit the payment with the assessment notice to the Missouri Department of Revenue by June 1, September 1, and December 1.

The June assessment notice (Form D) bills for the quarterly June prepayment and reconciles the previous year's workers' compensation premium tax liability. If the self-insured entity overpaid or underpaid the prepayments during the previous year, the overpayment/underpayment will appear on this assessment notice. For example, the June 2013 assessment notice will show:

- The annual workers' compensation premium tax for 2012
- It will give credit for all workers' compensation premium tax liability prepayments for 2012.
- It will show any debit or credit balances due for 2012.
- It will show any overpayment or underpayment of the March 1, 2013 payment.
- This notice will also bill the June 1 quarterly assessment.

The total amount due on this notice will be on line 7, and is payable to the Missouri Department of Revenue by June 1.

The September (Form F) and December (Form H) assessment notices bill only for the quarterly assessment due for the workers' compensation premium tax liability.

Remember, it is the self-insured's responsibility to have the Missouri only experience mod calculated and to submit a copy of the experience mod to this office. If a Missouri only experience mod is not received, the experience mod will be estimated during the audit of the Table 1 Payroll and Premium Tax Report.

Any questions regarding the calculation of the experience mod should be directed to NCCI, Customer Service Center at 800-622-4123.

**PLEASE NOTE: An estimated experience mod could result in an overpayment of the workers' compensation tax. If there is an overpayment, RSMo 287.745.2 would apply:**

In any legal contest concerning the amount of tax under sections 287.690, 287.710 and 287.715 for a calendar year, the quarterly installments for the following year shall continue to be made based upon the amount assessed by the director of revenue for the year in question. If after the end of any taxable year, the amount of the actual tax due is less than the total amount of the installments actually paid, the amount by which the amount paid exceeds the amount due shall be credited against the tax for the following year and deducted from the quarterly installment otherwise due on June first.

Once you receive notification of the experience factor from the NCCI, please forward a copy to:

Taxation Section  
DIFP  
PO Box 690  
Jefferson City, MO 65102-0690

Overnight address:

Taxation Section  
DIFP  
301 West High St, Room 530  
Jefferson City, MO 65101

## ELECTRONIC FILING INSTRUCTIONS

These instructions are designed to explain to employers authorized through the Missouri Division of Workers' Compensation to self-insure their workers' compensation liability how to calculate their workers' compensation premium tax assessment for calendar year 2012. Individual self-insured employers should fill out the *Table 1* report based on these instructions.

The Table 1 Report for calendar year 2012 is to be filed electronically by March 1, 2013. Those self-insurers who were self-insured for only a portion of 2012 should report payroll only for that portion of 2012.

The *Table 1* report requires information only on the payroll paid to employees subject to the Missouri Workers' Compensation Law (Chapter 287 RSMo). "Payroll" is considered to be "remuneration" as defined by the *Basic Manual* of the National Council on Compensation Insurance (NCCI).

Please read the following instructions carefully for filing Table1 tax data electronically.

**Instructions for electronic filing – Please note these instructions are for individual self-insured businesses and do not apply to self-insured trusts or groups.**

**Step1:-** Download the following excel spreadsheet using the link:

<http://insurance.mo.gov/industry/forms/index.php>

**Step2:-** Fill the spreadsheet form by providing the

NAIC#

Company Name

Tax Year (2012)

Modification Factor (indicated as below)

Class Code

Corresponding Payroll Amount

The spread sheet will calculate the rest of the fields during the data entry.

You should email this file to the address [SI\\_PTax@insurance.mo.gov](mailto:SI_PTax@insurance.mo.gov) for processing your tax data.

Any error in the tax data will be rejected and you will be notified with the error information.

You can regenerate the text file and submit to the above address for processing again.

Remember, it is the self-insured's responsibility to have the Missouri only experience mod calculated and to submit a copy of the experience mod to this office. If a Missouri only experience mod is not received, the experience mod will be estimated during the audit of the Table 1 Payroll and Premium Tax Report.

Any questions regarding the calculation of the experience mod should be directed to NCCI, Customer Service Center at 800-622-4123.

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**THIS REPORT IS DUE TO THE MISSOURI DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION BY MARCH 1, 2013.**

**QUESTIONS SHOULD BE DIRECTED TO: [SI\\_PTax@insurance.mo.gov](mailto:SI_PTax@insurance.mo.gov).**

**IN ADDITION TO THE ABOVE INSTRUCTIONS, THE DIVISION OF WORKERS' COMPENSATION ASKS THAT A HARD COPY OF THE 2012 TABLE 1 PAYROLL AND PREMIUM TAX REPORT (PRINT THE NECESSARY PAGES FROM THE EXCEL SPREADSHEET) AND A COPY OF THE 2012 EXPERIENCE MODIFICATION FACTOR BE SENT TO THEM. THEIR MAILING ADDRESS IS:**

**DIVISION OF WORKERS' COMPENSATION  
PO BOX 58 (OVERNIGHT: 3315 W TRUMAN BLVD)  
JEFFERSON CITY MO 65102-0058 (OVERNIGHT: 65109)**